

# FOREX SECRETS

AND THE ART OF BUYING AND  
SELLING ANY COMMODITY



Learning The Mindset Of Powerful Traders  
And Mastering The Art Of Currency  
And Commodity Trading Easily

FOREX SECRETS AND THE ART OF  
BUYING AND SELLING ANY COMMODITY

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# Foreword

Current info about Forex is not always the easiest thing to locate. Fortunately, this report includes the latest Forex info available.

Think about what you've read so far. Does it reinforce what you already know about Forex? Or was there something completely new? What about the remaining paragraphs?

The foreign exchange market (Forex, FX, or currency market) is a worldwide decentralized over-the-counter financial market for the trading of currencies. Financial centers around the world function as anchors of trading between a wide range of different types of buyers and sellers around the clock, with the exception of weekends. The foreign exchange market determines the relative values of different currencies.

So now you know a little bit about Forex. Even if you don't know everything, you've done something worthwhile: you've expanded your knowledge.

***Forex Secrets And The Art Of Buying And Selling Any  
Commodity***

***Learning The Mindset Of Powerful Traders And Mastering  
The Art Of Currency And Commodity Trading Easily.***

# **Chapter 1:**

## *What Is Forex*

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### **Synopsis**

The Forex options market began as an over-the-counter financial system for large banks, financial organizations and boastfully international corporations to hedge against foreign currency exposure.

Forex option trading has come forth as an alternative investment vehicle for a lot of traders and investors. As an investment tool, Forex option trading provides both big and little investors with better flexibility when ascertaining the appropriate Forex trading and hedging techniques to apply.

Most Forex options trading are conducted thru telephone, as there are only a few Forex brokers offering net Forex option trading programs.



*How I made 500pips trading GOLD ...*  
*Without any Human Emotion involved.*

## **The Basics**

A Forex option is a financial currency agreement giving the Forex option purchaser the right, but not the obligation, to buy or sell a particular Forex spot contract at a particular price on or before the expiration date. The sum the Forex option purchaser pays to the Forex option seller for the Forex option contract rights is known as the Forex option "premium".

Either the buyer, or holder, of a foreign currency option has the option to sell the foreign currency option contract before expiration, or he or she may decide to hold the foreign currency options contract till expiration and exercise his or her right to take a position in the underlying spot foreign currency. The act of using the foreign currency option and taking the subsequent underlying position in the foreign currency spot market is called "assignment" or being "assigned" a spot positioning.

The only initial liability of the foreign currency option purchaser is to pay the premium to the seller up front once the foreign currency option is initially bought. Once the premium is paid, the foreign currency option holder has no additional liability till the foreign currency option is either offset or runs out.

On the expiration date, the call purchaser may exercise his or her right to purchase the underlying foreign currency spot position at the foreign currency option's strike price, and a put holder may exercise his or her right to trade the underlying foreign currency spot position at the foreign currency option's strike cost. Most foreign currency options are not exercised by the purchaser, but rather are offset in the

market prior to expiration. Foreign currency options runs out worthless if, at the time the foreign currency option runs out, the strike price is "out-of-the-money". In easiest terms, a foreign currency option is "out-of-the-money" if the underlying foreign currency spot price is below a foreign currency call option's strike price, or the underlying foreign currency spot price is greater than a put option's strike price. When a foreign currency option has ran out worthless, the foreign currency option contract itself runs out and neither the purchaser nor the seller have any further duty to the other party.

The foreign currency option seller might likewise be called the "writer" or "grantor" of a foreign currency option contract. The seller of a foreign currency option is contractually bound to take the opposite underlying foreign currency spot position if the purchaser exercises his right. Reciprocally for the premium paid by the purchaser, the seller assumes the risk of taking a potential adverse position at a later point in the foreign currency spot market.

Exchanges in the Forex market occur instantaneously. Even the expert traders and bankers are challenged to make really good and well-informed trades. A single Forex trade ought to be done after cautiously considering some factors. According to the expert traders, it's easy to trade in the Forex market but for the newbies, it might be a bit hard. You see, there are some things that you need to consider.

Many traders lose their capital and according to statistics, these traders make up 90% of the total number of traders in the Forex market. The other 10% is still split into two wherein the 5% are the breakeven traders and other 5% are those traders that attain good results.



The percentage of successful Forex traders is indeed very little as compared to the unsuccessful ones; because of this fact, a lot of individuals are scared to invest in the Forex market.

Education is critical if you wish to succeed as a Forex trader. You ought to have adequate knowledge about the market and each detail you can learn is very crucial. In fact, in each transaction you make, you're bound to learn something that you may use in your future exchanges.

As a Forex trader, you ought to have your very own strategy or trading system. A lot of individuals find it hard to follow rules and guidelines and if you're like that, the Forex market isn't the place for you. You have to be very strict in following your devised techniques or trading system. This is the only way to bring in more profits.

Aside from having your own trading system and techniques, you ought to be able to analyze and study the price behavior in the Forex market. Prices tend to alter rather rapidly and so you have to be prepared at all times. Surprises in the Forex market are natural and you ought to be prepared for them.

The purchasing or selling decisions of traders are often influenced by psychological issues. Not all traders are rationally thinking in each transaction they make and you will be able to use this knowledge to your benefit. That way, you'll be able to easily decide when to enter or exit. Successful traders know how to manage their cash or investment. You have to ensure that the trading account is adequately funded and you shouldn't enter into any transaction blindly.

# Chapter 2:

## *Getting Started*

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### **Synopsis**

When you trade on Forex as in any sort of currency trading, you're in the business of currency speculation and it's simply that - speculation.

This means that there's some risk involved in Forex currency trading as in any business but you may and ought to, take steps to minimize this.

You may always set a limit to the downside of any trade, which means to define the utmost loss that you're prepared to accept if the market goes against you.



## Where To Begin

The best insurance against turning a loss on the Forex market is to set out to comprehend what you're doing totally. When there's bits you don't comprehend, seek a good Forex trading forum and ask lots and lots of questions.

Many of the individuals who routinely answer your queries on this will have a great Forex trading blog and this will likely not only give you answers to your questions but likewise supply lots of links to great sites. Be vigilant; however, watch out for Forex trading scams. Don't be too quick to part with your cash and investigate anything very well before you distribute any hard-earned cash!

As Forex is all about foreign exchange, all transactions are made up from a currency pair - say, for example, the Euro and the US Dollar. The basic tool for trading Forex is the rate of exchange which is expressed as a ratio between the values of the 2 currencies like  $EUR/USD = 1.4086$ .

This value, which is referred to as the 'Forex rate' means that, at that specific time, one Euro would be worth 1.4086 US Dollars. This ratio is always conveyed to 4 decimal places which means that you could see a Forex rate of  $EUR/USD = 1.4086$  or  $EUR/USD = 1.4087$  but never  $EUR/USD = 1.40865$ . The rightmost digit of this ratio is denoted as a 'pip'. So, a change from  $EUR/USD = 1.4086$  to  $EUR/USD = 1.4088$  would be referred to as a change of 2 pips. One pip, consequently is the least unit of trade.

With the Forex rate at EUR/USD = 1.4086, an investor buying 1000 Euros utilizing dollars would pay \$1,408.60. If the Forex rate then changed to EUR/USD = 1.5020, the investor may sell their 1000 Euros for \$1,502.00 and bank the \$93.40 as earnings. If this doesn't seem to be great amount to you, you have to put the total into context. With a rising or falling market, the Forex rate doesn't merely change in a uniform way but oscillates and benefits may be taken many times per day as a rate oscillates around a trend.

When you're anticipating the value EUR/USD to fall, you may trade the other way by selling Euros for dollars and purchasing them back when the Forex rate has changed to your benefit.

The lower limit trading size for most trades on Forex is commonly 100,000 units of any currency and this volume is referred to as a standard "lot". But, there are a lot of firms, which provide the facility to buy in dramatically smaller lots than this and a bit of net searching will soon locate these.

There's a lot of advertisements quoting only a couple of hundred dollars to get going! You'll frequently see the term actions trading Forex and this is just a common term which covers the little guy trading Forex. Small-scale trading facilities like these are frequently called as Forex mini trading.

Net Forex trading provides you direct access to the Forex market and there's lots and lots of companies out there who are in business simply to deal with you online.

While you might be right in being cautious about any Forex trading system that's advertised, there are a few good ones around. Most of

them either use Forex charts and by means of these, identify Forex trading signals which tell the trader when to purchase or sell. These signals will be made up of a particular change in a Forex rate or a trend and these will have been devised by a Forex trader who's studied long-term trends in the market so as to identify valid signals when they happen.

A lot of the systems will use Forex trading software which identifies such signals from data inputs which are gathered automatically from market data sources. A few utilize automated Forex trading software which may trigger trades automatically when the signals tell it to do so.

If these sound too great to be true to you, look around for online Forex trading systems which will allow you undertake a few dummy trading to test them out. By doing this, you may get some Forex trading training by giving them a spin before you put real cash on the table.

Be watchful, do spend the time to get some great Forex trading education, again this may be provided online and set up your dummy account to trade before you attempt to go live. If you take care and take your time, there's no reason why you shouldn't be successful in Forex trading so, have patience and stick at it!

# Chapter 3:

## *About The Systems*

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### Synopsis

You will be able to find lots of sites online which offer advice on the cutting-edge and the best trading systems that you are able to utilize in the Forex market. New traders are frequently fooled into buying these trading systems in the hope of bringing in more profits. Don't make the same error. You have to check these trading systems before you ultimately decide to employ them.

The net is full of scammers and a few of the trading systems don't truly work or are fraudulent. You have to pick only the best and reliable systems. Reliable trading systems may bring in a lot of profits if you utilize them consistently and in a disciplined manner.



## **Our Spirit**

Many Forex traders are searching the best trading systems available online and possibly you're looking for it as well. You have to be realistic when seeking an efficient system and so you'll need to consider many factors. A few systems are really difficult to understand.

You have to ensure that you comprehend the system's logic before buying it. Only by understanding the logic of the system may you effectively utilize it to your benefit. By checking the trading system thoroughly, you'll be able to determine if the whole system is intuitive and logical from your own viewpoint. If you think that you are able to stick with the trading system, knowing that its basic logic is agreeable, you are able to go along way.

Having a great trading system in the Forex market is critical. You have to exert extra effort in your researches and conduct a few trials. How may you identify a great system? A great system is one that may be used over the long-term and it has a sustained earning potential.

For starters, it's advised that you have a secondary plan in case you encounter a downswing. By doing so, you are able to stay afloat despite the financial sputters. You ought to be emotionally ready and once you earn big bucks, you ought to be wise in utilizing or spending it.

When utilizing a particular trading system in the Forex market, you shouldn't expect quick results. True enough, you are able to bring in big bucks in Forex trading but there's likewise the possibility of losing your investment. You have to be patient and really careful in making

your trading decisions. Give the system adequate time to work out; for instance, a couple of months to a year might be enough to determine if the system is profitable or not. Inside this period, you have to ensure consistent and logical trading transactions.

Most of today's trading systems supply near-real time Forex data but a few systems only provide simulations of the logic at work based on historical data. If you think that the basic logic is understandable and solid, you are able to still utilize the system to your benefit.

The Forex market is speedily changing or shifting. Your trading system ought to be able to easily adjust to these changes and shifts. Complicated systems don't guarantee better performance and it would be better to choose a system that's intuitive and user friendly.

Study the major trends in the Forex market and after that, you are able to already choose a great trading system that can work for you. Select the system that's rational and disciplined. Don't use your emotions when conducting the trade because it might be the start of your downfall.

You are able to find several types of software for Forex trading. All the trading software offered in the market has its own disadvantages as well as advantages or benefits. In order to pick the best software that you are able to use in Forex trading, you have to know your needs. So what systems are available for you?

Most of the software provided in the market help in easing the burden of trading in the Forex market. As compared to the stock market, the Forex market is open for longer hours; as a matter of fact, it's open 24 hours a day. With efficient software, you are able to keep track of all



the things happening in the Forex market. You can't possibly stay around-the-clock staring at the computer for updates in the market. With the software, you are able to continue with your daily routine activities and once you have time to study and analyze the stock market, you may simply utilize the trading software to monitor the day's activities.

The software will do all the hard tasks for you. The trading software may automatically monitor all the activities in the Forex market around the clock. The trader may decide the degree of independence of the software. Most traders leave all the dirty work to the software particularly if they're also quite busy with their work.

Here is a really great example of how trading software works:

You decided to invest on a particular trade. When you were out doing the laundry or maybe you're in the grocery, you began losing money because of some unfavorable changes in the market. If you've an efficient software, you may minimize your losses as the software will automatically trade away once there's an indication of an unfavorable change in the Forex market.

Some trading software takes emphasis on the signal indicators or generators and other market trends. You may benefit a lot from this software because you may confidently trade without any doubts. You see, this sort of program use tested and complex mathematical algorithms.

Forex moguls are incurring lots of profits through the utilization of this sort of software. The software is tried and tested. In fact, this sort of software can help you in making a precise trading decision through

the advanced algorithms and trend indicators. The indicators may give you trading tips, as well as accurate Forex data.

Combo software programs are likewise offered. Whether you're a beginner or an advanced trader, you may make use of these. This sort of software may monitor the changes in the Forex market and at the same time provide helpful trend indicators or signal generators.

It doesn't truly matter what sort of software you purchase and utilize. As long as the software works for you, you may utilize it for as long as you want. Test trials are also available for traders who are hesitant in buying a particular software.

Be wise in selecting the appropriate software program that you'll use in Forex trading. Trading in a really complex market isn't as easy as you think and you need to be prepared for everything with the help of the trading software.

# Chapter 4:

## *Automating*

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### Synopsis

Are you a disciplined individual? According to expert Forex traders, the only ones who succeed in the Forex market are those individuals who remain disciplined in spite of their success or failure. Automated Forex trading has altered the way traders make their transactions. If you're a savvy Forex trader, you are able to definitely benefit from utilizing these automated systems.

For beginners in the Forex trade, be admonished that most of the trading systems sold or offered online are considered junk and worthless. Frequently, these systems provide tested simulations and cleverly hyped marketing strategies that don't work. By utilizing 'junk' trading systems, you may lose your investment.



## **Automatic**

There are easy trading systems offered online which may yield higher returns when utilized properly and consistently. The simpler the automated trading system, the easier it is to utilize; you see, complicated systems don't guarantee success at all times so be really careful when picking out the appropriate Forex system.

For instance, if you think that a particular currency is going to maintain 4 weeks high standing, purchase it. If you've a low-standing currency, you are able to sell it before the price declines further. This system is likewise called breakout wherein all your moves inside the Forex market is based on the highs and lows. Soon, you'll be able to penetrate the market's big trends.

Big trends commonly last for many weeks, months, or even years. The whole system is automatic and the rules are quite objective. One system is known as a Forex robot and it may operate fifteen minutes everyday. The creator of this Forex robot was Richard Donchian, a Forex trader.

If you want an easy system, the Forex robot might work for you. Traders who prefer complex trading systems often expect more from this system and so they would rather opt for a different system which can meet their expectations. The Forex robot isn't fussy and it may help you in identifying the top picks and the bottom picks.

Successful Forex traders spend enough time and effort to make informed trading decisions. As a wise trader, you shouldn't rush things. Allow the system to work. Don't trust in the myth that

complex and expensive systems are more efficient. If you're serious in Forex trading, you are able to earn lots of profits with minimal effort.

Observe today's market trends. If you think that the Forex robot will work for you, considering the existing trends in the Forex market, you are able to utilize it because it's logical, very simple, and continuously works. The automated trading system may be obtained for free online just case you wish to see how it works. If you think that the Forex robot is a different junk like all other systems, check its background. Try to review ratings and testimonials to discover more about this excellent and efficient system.

The modern world is really different from that of long ago. Many of today's basic tasks are now handled mechanically. If you want an automated Forex system, you are able to make use of the Forex robot. Hurry and seek this system online; if you want, you are able to also check Richard Donchian to find more info about it. You'll greatly benefit from this system over the long run. Don't overexert yourself in studying the Forex market because with the aid of the automated system, you are able to go a long way.

A few individuals find Forex trading very hard. The reason behind this is because they didn't spend adequate time in studying the market trends and they didn't conduct thorough technical analysis. Forex charts are really crucial and you need to know how these charts are developed. As you likely know by now, the Forex market is a fast-paced environment and you need to keep up with it if you wish to earn great profits. Technical analysis may definitely help you and so can market indicators.

Indicators are quite helpful especially when you're about to make a transaction in the Forex market. Most of the time, these indicators supply you with market's probability behavior but it can't precisely tell the certainty of currency prices.

Technical indicators are really important in Forex trading. You are able to combine the indicators to create your very own trading scheme in order to recognize the market trends. As an effective trader, you have to be able to identify the current or major trends, the short-trends, and intermediate trends; if you are able to do this, you'll be able to hold a great position in the Forex market where you are able to earn great profits.

Since the Forex market is changing constantly, you need set a criterion for utilizing the technical indicators. If you wish to get the highest probability and accurate predictions, you must be able to combine required indicators. By doing so, you are able to determine the price behaviors of the currencies you would like to invest on.

Supposing that your judgment is correct, you ought to still consider other factors in order to gain maximum profits from your trades. If you're having a bad day in the Forex market, take your profits and stop trading for the moment.

This is a smart choice because if you stay longer (hoping to regain your lost money), you may lose more of your investment. When the prices of the currencies are moving within a so-called narrow range and isn't going anyplace, there's no need to anticipate for a big movement. Find another currency to trade with better profit potentials.

With so many technical indicators to utilize, you'll certainly find combinations that will work best for you. Don't be deterred if ever you encounter some downfalls in Forex trading because that's natural. When utilizing technical indicators, you have to give yourself enough time in doing the analysis and studies.

There are so a lot of things to consider and you can't just do it in minutes. However, make certain that you don't take too long in making your trading decisions as the Forex market won't slow down just to work for you. You're the one who needs to adjust to its fast-paced environment. Hold in mind that there are also lots of traders out there who wish to earn profits. You need to keep up with the competition.

Technical analysis isn't very simple to do and so you'll need all the help you can get. You may consult a broker or some online Forex trading tools if you wish to learn more about this sort of trade. The internet is widely available and you may utilize it to your advantage. Educate yourself about these various technical indicators so that you may utilize them in identifying the market trends. For successful Forex trading, you must learn about these technical indicators.

# Chapter 5:

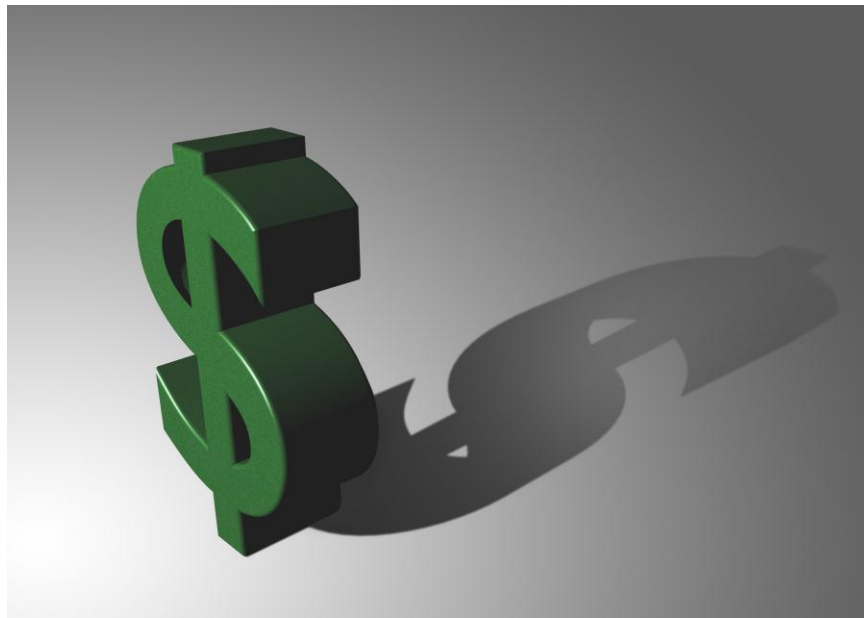
## *Indicators*

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### **Synopsis**

The Forex market is said to be among the largest places known to the business people. Trading has become a part of man's life since time immemorial. Needless to say, it's an opportunity that provides better earnings in relation to the released investment.

Therefore, it's an endeavor which requires you to gain an in-depth knowledge regarding the sorts of technical indicators that essentially prove to be very useful. By combining two or more of them, you better the probability of obtaining a full knowledge of the steps which you require to take on as you continue with the opportunity of bringing in a generous profit.





## **What To Watch**

Many of the traders are encouraged to make use of the technical indicators. Even more, the pros still trust them. How much more for a novice like you? They're the mathematical formulas that govern the respective indicators. Studies reveal that they're really accurate too only that they don't really come up with a complete analysis. What these tools may do is to show you the tendencies in the market.

Your mere presence in the stock market suggests that you've a perfect goal and that is to bring in revenue and generate a great deal of profit. You shouldn't forget though that the market is volatile. Meaning, its instability paves way to a number of changes that might happen at any time. Thus, these indicators are the perfect tools that may tell you as to whether it's good enough to purchase or sell commodities or securities.

As you opt to utilize the indicators, it's likewise really pertinent to remember that a lot of the formulas include jotting down the derivatives. This goes to show that the data isn't obviously direct. That's why it's often helpful to consult more than one indicator to be able to draw a clearer picture. After all, it will never hurt to check into the accuracy of your conclusion.

### **Four Basic Classifications of Technical Indicators**

Whether you want to trade Forex, stocks, or other commodities, it pays off to consider obtaining a solid foundation that might serve as your guide. Again, it's really significant to pick out those which you

know are already proven to work and those that you are able to comfortably utilize.

The trend indicators. Moving averages, Parabolic SAR, and MACD are just some of those that make up this group. By checking into the movement of the trends, you are able to decide on the level at which you are able to begin trading.

The momentum indicators. These are considered to be the oscillating indicators and are most clear-cut in pinpointing the overbought as well as the oversold positions. Likewise, they show the signals for any new trend. Stochastics, RSI, and CCI are just a few of those momentum trend indicators.

The volume indicators. The name itself tells you that the price movement is very much dependant on the volumes of the trades. Typically, the price movement which is rooted from a high volume gathers a fairly stronger signal compared to one which is motivated by the low volume. Examples of which include the force index, money flow index, ease of movement, Chaikin money flow, and several others.

The volatility indicators. They commonly look into the ranges that define the volume that lies beneath the movements and the price behavior. The common examples include the average true range, Bollinger bands, and the envelopes.

There you go with the 4 groups of technical indicators that will steer you as you work on accomplishing the best of the profits from the Forex market.

# Chapter 6:

## *Reading The Charts*

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### **Synopsis**

Price charts may be simple line graphs, bar graphs or even candlestick graphs. These are graphs that show prices during defined time frames. These time frames may be anywhere from minutes to years or any time interval in between.

Line charts are the easiest to read, they'll show you the broad overview of price movement. They only show the closing price for the specified interval, they make it really simple to pick out patterns and trends but don't provide the fine detail of a bar or candlestick chart.

With a bar chart, the length of a line displays the price spread during that time interval. The bigger the bar is the greater the price difference between the high and low price during the interval.

It's easy to tell at a glance if the price rose or fell because the left tab shows the opening price and the right tab the closing price. Then the bar will give you the price variation. When printed bar charts may be difficult to read but most software charts have a zoom function so you are able to easily read even closely spaced bars.

## **Take A Good Look**

Originally developed in Japan for breaking down candlestick contracts candlestick charts are really useful for analyzing FOREX prices. Candlestick charts are very similar to bar charts they both show the high, the low, open and close price for the suggested time. However, the color-coding makes it much easier to read a candlestick chart, commonly a green candlestick indicates a rising price and a red one indicates a falling price.

The actual candlestick shape in reference to the candlesticks around it will tell you much about the price movement and will greatly aid your analysis. Depending upon the price spread various patterns will be formed by the candlesticks. A lot of the shapes have some rather exotic names, but once you learn the patterns they're simple to pick out and analyze.

Price charts are not commonly used by themselves to get the full affect you need to supplement them with some technical indicators. Technical indicators are commonly grouped into some pretty broad classes. A few of the more common ones used to monitor and track the market movement are: trend indicators, strength indicators, volatility indicators, and cycle indicators.

Here is a list of a few of the more commonly utilized indicators as well as a brief description.

Average Directional Movement Index (ADX) – This index will help indicate if the market is moving in a trend in either direction and how strong the trend is. If a trend has readings in excess of twenty-five then this is considered a stronger trend.

Moving Average Convergence/Divergence (MACD) – This shows the relationship between the moving averages which allows you to determine the momentum of the market. Any time that the signal line is crossed by the MACD it's considered to be a strong market.

Stochastic Oscillator – This compares the closing price to the price range over a specific time frame to determine the strength or weakness of the market. If a currency has a stochastic of greater than eighty it is considered overbought. However if the stochastic is under twenty then the currency is considered undersold.

Relative Strength Indicator (RSI) – This is a scale from 1 to 100 to compare the high and low prices over time. If the RSI rises above seventy it is considered overbought where as anything below thirty is considered oversold.

Moving Average – This is produced by comparing the average price for a period of time to the average price of other periods of time.



# Chapter 7:

## *7 Easy Steps*

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### **Synopsis**

If you're interested in learning to trade Forex with success, then the most common path for a wishful trader these days is to search the net for info to apply immediately to their live Forex trading account. The issue is that their search frequently leads them to destinations where there are plenty of fake promises, foul ideas, negativity and an obsession with indicators.

A lot of the e-books on sale today are filled with reprocessed concepts or incomplete techniques which the authors themselves don't use. Many authors don't earn cash from Forex trading but they earn their living by distributing these e-books to the novice Forex trader.

This simple access to Forex guru's who fuel the idea that Forex trading is the holy grail of the gravy train, then financially feed off those same individuals they've sold this idea to. At the end of the day, what a lot of these Forex gurus sell is a gross deceit of what it takes to trade Forex for a living.

## **Guidelines**

Forex Trading isn't simple. You are able to become a good Forex trader though dedication and by treating Forex trading as you'd any other skill. The truth is that it's hard work and must be treated with the same amount of sincerity as you would any other occupation.

The effect of all these gurus is that a lot of Forex traders start off excessively optimistic with unrealistic goals. While there's nothing wrong with a positive attitude but this positivity has to be built on strong foundations and truthful expectations.

New Forex traders commonly begin their career by buying some secret set of indicators and they're quickly punished for their naivety. Many of these Forex traders then buy another set of secret indicators till they become disillusioned and then stop trading.

In point of fact, many Forex traders that are now successful went through this learning process. This is only an issue if you refuse to learn from your errors. You have to break from this cycle of reliance on secret indicators and guru techniques to be successful.

You help yourself in the first place; by learning to think for yourself and understanding that while anybody may trade Forex, to be successful, you must learn to be a Forex trader.

To trade Forex is simple, all you require is a Forex trading account with money in it and then you enter the foreign exchange market and begin trading.

To be a Forex trader is more work. You have to grow from the starting point of having very little knowledge to the stage where you've a trading plan, comprehend the concepts and behavior of the Forex market and be able to trade with a cool head and comprehend that wins and losses are all part of being a trader.

### 1. Comprehend your place in the Forex market:

This is really crucial you must understand that you're very small fish in a huge sea.

In the Forex market, the majority of the liquidity is coming from large banks and experienced institutional traders. These are the huge fish. The huge fish will happily enjoy you as a little snack.

You're only fooling yourself if you believe it will be simple to take money off these huge Forex traders.

You have to learn to swim beside these huge fish and catch the same flows they do. Swimming against them simply marks you as prey and eventually you'll be eaten.

### 2. Learn to study the Forex graphs.

A lot of beginner Forex traders believe that these huge Forex traders have access to some secret Forex trading scheme or use a secret set of indicators, but the reality is this is just not the case.

These major Forex players are utilizing simple, but proven technical analysis techniques - most commonly horizontal support/resistance, identification of trading ranges coupled with fundamental themes.



Start by accepting that the other major players are highly experienced in the market and they make cash because of experience and by a complete understanding of the core skills and not because they hold secret indicators.

### 3. Cash management:

It's imperative that you comprehend as a novice Forex trader the emphasis isn't on how much you are able to make from Forex trading but on how you manage what you have.

This is the most common downfall of all beginner traders. It's commonplace to see a beginning trader risk the majority of their account on one or two positions.

This fashion of trading isn't sustainable and professional traders don't trade in this manner. Everybody sometime in their career will have a string of foul trades. A typical number might be ten losing trades in a row. The question is do you have a cash management plan in place that enables you to outlast this?

### 4. Center on the market:

A lot of novice Forex traders open their Forex graphing software and activate their latest hot indicator or tool and carry on to place their trades as per the tools recommendations. This fashion of Forex trading is unlikely to have much long-run success.

Once these indicators fail to generate the needed profits then these traders then move rapidly on to a different set of indicators.

You must center on the Forex market and comprehend what the indicators are telling you so that you are able to pick the Forex trades which have the best chance of being winners.

Successful Forex traders utilize indicators and tools. These tools by themselves don't make a successful trader. There are a lot of successful traders and unsuccessful traders who use the precise same indicators.

The key is that successful traders understands how the market acts around the indicators and understands what the signals really mean.

The best way to accomplish this is to quit swapping between tools and select those that compliment your trading plan, comprehend how they work, and then spend time in the market going through them.

##### 5. Design your trade and trade your plan.

This is a general saying that seems to get lost on beginner traders. It ought to be every trader's goal to make pips on each Forex trade as per their trading plan. Forex traders have to treat every trade as a business decision by calculating their risk and specifying their entries and exits points, those that don't open themselves to big losses when a trade breaks down.

A lot of beginner traders seem to lack the discipline to follow a plan for every trade. So what happens is commonly the following; a beginner trader will see a potential set-up, they select some arbitrary sum to purchase or sell with a speedy guesstimate, then place the trade without analyzing any risk and having an exit scheme.

Naturally, this way of trading may be profitable over the short term, more down to luck than skill. But sooner or later the luck runs out and the trader is caught catnapping and a common result is an annihilated account.

The opening question beginner traders tend to ask themselves how much will I bring in on this Forex trade?

The opening question experienced traders tend to ask themselves is how much is my likely loss / risk?

6. Your brain is your strongest asset and feeblest link.

Whole books have been dedicated to the issue of psychology and its role in trading. That doesn't mean they're all going to help you, but you ought to take this as a sign that the subject isn't to be ignored.

First, you have to comprehend the role psychology plays in trading. You have to learn to comprehend your personality traits and how they may affect your trading style.

A trader I know is a foul loser and when he has a foul trade, he had a habit of going straight back and attempting to win those pips back with even sorrier results. But he understands this as a weakness and when he has a foul trade, he takes a break of twenty minutes before he goes back to trading so that his emotions don't affect his trading choices.

Second, you must make it your aim to never quit learning. You can't get yourself to a particular level and then become complacent. Each day is a learning experience in some manner and you have to be prepared to learn lessons and invest time in bettering your skills and

experience. The day you quit learning is the day you ought to stop trading.

7. Comprehend Forex is always correct or anticipate the unforeseen.

The Forex market is an intriguing place, but there's one matter every trader needs to learn. Always anticipate the unforeseen and don't get wrapped up in past successes. Regardless what your charts or indicators tell you; occasionally the Forex market will simply do the opposite.

Whatever occurs in the market you have to maintain an objective outlook on your strategy and the Forex market and ensure that ripples and crashes don't derail you in the long-run.



# Wrapping Up

By following these steps and learning to become a Forex trader instead of just trading the Forex market, you'll put you on the path to ultimate success as a profitable Forex trader. This is something that 90% of all beginner traders fail to accomplish.

